MISS MABEL REBELLO: I have a small question. In Chhattisgarh, there is the most primitive tribe known as Korba. I had gone to Sarguja, and I saw that funds were given for tribals not to acquire land, water and electrictity but to build toilets, to build iron fencing and to make Pavements. These are primitive tribals. They don't have anything to eat. Why are they misusing funds for building toilets and things like that in the deep jungle? I would like to know this.

श्री जुएल उराम: सर, वह पहाड़ी कोरबा है । ... (**व्यवधान**) ... सर , दुख की बात यह है कि पहाड़ी कोरबा के विकास के लिए जो पैसा दिया गया था , उस में से कुछ डायवर्शन ऑफ फंड्स हुआ और उस श्रेत्र में 27 पहाड़ी कोरबा मर गए । मैं भी वहां स्थिति को देखकर आया हूं । कुछ डायवर्शन ऑफ फंडस तो हुआ था , लेकिन इस टाइम में सरकार हम लोगों की नहीं थी ... (**व्यवधान**)..

श्री सभापति : सरकार किसी की भी हो ... (**व्यवधान**)... आप बैठिए ।

श्री प्रेम गुप्ता : आप क्या बात कर रहे हैं ... (**व्यवधान**) ...

श्री सभापति : आप माननीय सदस्य बैठिए ... (**व्यवधान**).....

श्री जुएल उराम : सर, इस बारे में इंक्वायरी कर के रिपोर्ट देने के लिए उन के सचिव का हिदायत दी गयी है । उन से रिपोर्ट मंगावी जा रही है ।

श्री सभापति : देखिए , सरकार किसी को ही , इस से मतलब नहीं है । जिन कामों के लिए फंड्स दिए गए थे , उन कार्मों पर खर्च नहीं हुए ।

श्री जुएल उराम : हां वह सही है । इस के लिए रिपोर्ट मंगवायी जा रही है । रिपोर्ट मंगवाकर हाउस में पेश कर दूंगा ।

श्री सभापति : कब करेंगे ?

श्रीजुएल उराम : सर, एक महीने के अंदर पेश कर दूंगा ।

*186. *[The Questioner (Dr. T. Subba Rami Reddy and Shri Vayalar Ravi were absent for answer vide pages* 40-41*.]*

Prices of Cement

*187. SHRI V.V. RAGHAVAN:††

SHRI GAYA SINGH:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

††The question was actually asked on the floor of the House by Shri V.V. Raghavan.

(a) whether it is a fact that there has been a sudden spurt in prices of cement recently due to the play of cartels in the industry; and

(b) if so, the details thereof and Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI CHENNAMANENI VIDYASAGAR RAO): (a) and (b) A Statement is laid on the Table of the House.

Statement

(a) and (b) Cement is a fully decontrolled commodity and its prices are determined by market forces of demand and supply. The Government does not have any role in the fixation of its prices.

Details given in the enclosed Statement *(see* below) indicates that the prices of cement in major consumption centres in the month of November, 2003 over the prices in the month of October, 2003 showed a marginal increase in a few consumption centres. However, compared to the prices which prevailed in November, 2002, the prices in November, 2003 have been substantially lower in many consumption centres. In fact, the prices of cement vary from location to location depending upon the distance from the manufacturing centres and the local demand and supply conditions. Similarly, prices also vary from month to month depending upon the offtake of the cement.

The month-wise production of cement since April, 2002 shown in Statement-ll *(See* below) indicates that the production in the month of November, 2003 over the production of November, 2002 has increased by 4.31% and during the period from April to November, 2003 over the coresponding period of 2002 it had increased by 4.51%, both of which are comparable.

The present production and price trends do not indicate existence of any cartel and the Government has also not received any complaint in this regard.

Statement I

Average retail prices of cement per bag of 50kg. (In Rs)

Region/Centre	Oct 03	Nov' 03	Variation in Nov.'03 over October '03	Nov.' 02	Variation in Nov.' 03 over November '02
Northern Region					
Delhi	124	132	8	133	-1
Karnal	131	137	6	137	0
Chandigarh	144	149	5	145	4
Jaipur	111	123	12	125	-2
Rohtak	122	129	7	127	2
Bhatinda	141	146	5	143	3
Ludhiana	147	155	8	151	4
Jammu	189	189	0	188	1
Shimla	153	153	0	157	-4
Eastern Region					
Calcutta	154	154	0	153	1
Patna	130	131	1	136	-5
Bhubaneshwar	128	130	2	141	-11
Guwahati	172	172	0	172	0
Muzaffarpur	133	139	6	138	1
Silchar					
Western Region					
Bombay	154	159	5	166	-7
Ahmedabad	113	105	-8	131	-26
Nagpur	124	129	5	122	7
Pune	130	135	5	140	-5
Rajkot	113	105	-8	131	-26
Baroda	113	105	-8	131	-26
Surat	113	105	-8	131	-26
Sourthern Region					
Cheenai	134	137	3	130	7
Thiruvananthapuram	142	150	8	139	11
Bangalore	140	142	2	145	-3
Hyderabad	101	118	17	135	-17
Calicut	142	150	8	144	6
Visakhapatnam	118	127	9	145	-18
Goa	131	133	2	143	-10
Central Region					
Lucknow	118	118	0	125	-7
Meerut	126	131	5	130	1
Faizabad	117	118	1	118	0
Bareily	130	128	-2	131	-3
Bhopal	108	110	2	112	-2

Statement-II

Production of cement (large plants) (in million tonnes)

	2003-04	2002-03	Variation % in 2003-04
	Month to month variation (%)		over 2002-03
April	9.05	9.42	-3.93
May	10.59	9.87	7.29
June	10.16	9.31	9.13
July	9.37	9.13	2.63
August	8.69	8.28	4.95
September	8.85	8.30	6.63
October	9.34	8.87	5.30
November	9.20	8.82	4.31
	75.25	72.00	4.51

SHRI V.V. RAGHAVAN: Hon. Chairman, Sir, the hon. Minister in his reply stated that there is no indication of any cartel in the cement industry. He also stated that the increase in prices is very marginal. Both the statements are not true. There is a cartel. Fifty-four cement companies in the country joined together, formed an association and decided to increase the price of cement. That is called cartel-combine together and jointly decide to increase prices, not to compete with each other. That is what is meant by cartel. The Government pretends ignorance just to avoid any action against this cartel. Sir, the increase is not marginal. Anybody living in India knows that our middle-class families and lower-income families take loans from banks and when they go for construction, cement prices shoot up. So, you have to take some action. By stating that prices are marginal and there is no cartel, it is not at all correct. You should take some action.

SHRI CHENNAMANENI VIDYA SAGAR RAO: Sir, cement is fully decontrolled commodity. The prices of cement are fixed by the market forces of demand and supply. And, as regards the specific question raised by the hon. Member, we have stated that there is no cartel. He has also specifically mentioned that some of the companies have joined together to create the artificial increase. If the hon. Member gives some specific instances, we will take action. But, so far, we do not have any such complaint with regard to any cartel. And, with regard to prices, when the

prices are taken for a specific month, there is a marginal increase, but when we take it for a year, or if we take from 2002, there is substantial decrease in the prices of cement. For example, I would like to mention some figures from 1999-2000,2002-2003, and 2003-2004. If we take the price of a bag of cement in Delhi, in 2000, it was Rs. 133 per bag; in 2001, it was Rs. 136; in 2002, it was Rs. 133; in 2002-03, it was Rs. 130; and now, it is Rs. 126 only. Like that, in some of the centres, there is a marginal increase. But ...*(Interruptions)*

MR. CHAIRMAN: Please wait. Don't interrupt him in this way. Now, Shri V.V. Raghavan.

SHRI V.V. RAGHAVAN: Sir, when the Government decided to spend some 1.4 billion dollars in the road-linking projects, there was a demand for cement. But, using that opportunity, the cement companies also enhanced the prices for the common man. Though cement is a decontrolled commodity, the Government should take some action to control this sort of price increase. Whenever there is a cartel, the Government has to intervene and control the prices in the interest of common masses. Would the Government do anything on that line?

SHRI CHENNAMANENI VIDYA SAGAR RAO: In this case, the Government does not have any role, so far as the fixing of the prices are concerned. As I have already stated, they are fixed by the market forces. Sir, if there are specific cases about cartel, under the MRTP Act, they are investigated. But, as on today, there is no specific complaint referred to our Ministry. Therefore, it cannot be alleged that there is a cartel.

SHRI S. VIDHUTHALAI VIRUMBI: Mr. Chairman, Sir, the hon. Minister, in his reply, has accepted that now, it is totally a decontrolled commodity. I want to bring to the notice of the hon. Minister that heading in the reply is, "average rated price". That is important. "Average rated price" means three or four qualities are taken together and then the figure, which is arrived at, is not related to the ground reality. Therefore, the words, "averaged rated price" are misleading. It does not give exact situation which is prevailing in the country. Nobody can buy cement at the price mentioned in this statement.Therefore, through the Chairman, I request the Government to reconsider the policy under which this valuation is done.

SHRI CHENNAMANENI VIDYA SAGAR RAO: Sir, in my reply, I have
given the near figures, monthwise from 1999 onwards. But, when we take the overall prices, definitely, it is not alarming. There is only a marginal, increase here and there. And, so far as taking a policy decision is concerned, it is not within the purview of the Central Government. We have certain provisions under the BIS Act, under which action can be taken by the State Governments. So far as the Centre is concerned, if a specific complaint comes, action can be taken by the MRTPC. And, after the formation of Competition Commission, the Central Government can only interfere.....

SHRI A. VIJAYARAGHAVAN: Sir, as per the answer given here, in this corresponding period, between 2002 and 2003, the increase is only 4.51 per cent. I would like to say from my experience in Kerala, in November, there was a 25 per cent increase, from Rs. 200 to Rs. 250. So, with regard to Kerala, consumers are paying at an extra price tag.

Sir, for the remaining States, the price is Rs. 125 or Rs. 130. But for the State of Kerala, there is a separate price tag by the cement companies. Only last month there was a price increase of 25 per cent, and, here you are saying it is 4 per cent. Will you make an inquiry with regard to such incidents as to why this is happening to the people of Kerala?

श्री सभापति : ज्यादा अच्छा है कि आप **...** (**व्यवधान**)**...** एक मिनट, मैं इनको बता रहा हूं। ज्यादा अच्छा है कि आप इन्होंने जो जवाब दिया है, उसकी कापी लें जाएं और सीमेंट खरीदें तो किस भाव मे आती है किस भाव से नहीं आती हैं पता लग जाएगा।

SHRI CHENNAMANENI VIDYA SAGAR RAO: Sir, in Kerala, specifically, these prices are different from place to place, and, also at the place where the cement is manufactured. It also varies from season to season. So far as the figures of Calicut is concerned, I have figures for one month, that is from October, 2003 to November, 2003. In October, it was Rs. 142 and in the month of November, it is Rs. 150. The variation is of eight rupees only.

SHRI A. VIJAYARAGHAVAN: No, Sir. it is *...(Interruptions)*

MR. CHAIRMAN: Let him speak. Please take your seat. Let him speak.

SHRI A. VIJAYARAGHAVAN: Sir, I can challenge the Minister that the difference is of about Rs. 50 per bag ...*(Interruptions)*

MR. CHAIRMAN: Please don't interrupt. Let him speak. It is not good.

SHRI CHENNAMANENIVIDYA SAGAR RAO: Sir, when compared with the figure of 2002, the variation is of six rupees only. Now, the bag is available at the cost of Rs. 144. So, there is a substantial decrease of price, but it varies from place to place, from town to town, and, it depends upon the off-take of cement in a particular city. In Trivandrum, it may be different, and, in Calicut it may be different. So, it depends on the off-take of cement also.

SHRI A. VIJAYARAGHAVAN: Sir, I need your protection.

श्री सभापति : प्रोटेक्शन दिया न आपको । आप दोनों मत बोलिए । दोनों के साथ बोलने से सीमेंट सस्ता नहीं होगा ।

SHRI A. VIJAYARAGHAVAN: Sir, the Minister has to intervene. This is what has happened. The price tag for Kerala is different, and, there is an increase of fifty rupees in the last month only, which is about 25 per cent increase in the price. It was prices at Rs. 200 and now it is priced at Rs. 250. And, he is saying, six rupees and eight rupees. What is this? This is what is happening in the State. That is what has happened in the last month. You should make an inquiry and inform the House. You should not mislead the House.

MR. CHAIRMAN: Okay, next question.

* 188. [*The questioner (Shri Rama Muni Reddy Sirigireddy) was absent. For answer vide pages* 41 -42.]

*189. *[The questioners (Shri Harish Rawat) was absent. For answer vide pages* 43—47.]

लंबित मामलों के निपटान का सर्वेक्षण

*190. **श्री राजीव रंजन सिंह"ललन "** : ††
श्री कपिल सिब्बल :

क्या विधि और न्याय मंत्री यह बताने की कृपा करेंगे कि **:**

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††सभा में यह प्रश्न श्री राजीव रंजनच सिंह " ललन" द्वारा पूछा गया ।